

The Quality and Motivation of the Workforce

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Abstract - Labour quality and motivation has been a hot topic for businesses. It very much depends on the company's results and economic performance of the country as a whole. Below we analyze the new and old European Union (EU) member states' labour quality and motivation of the key indicators - productivity and wages, which is not only the factors. Generalizations will look at this as primarily Estonian-based emerging countries. Estonia can be regarded as a small European economic model, with its contradictions. Alongside the rapid economic growth and fiscal policy in accordance with the weak point of the labour market.

Keywords - European Union, Estonia, labour quality, motivation, productivity, salaries, labour market.

1. Introduction

An important element in *Estonia's* post-independence reorientation has been closer ties with the Nordic countries, especially Sweden and Finland. Estonia today is mainly influenced by developments in Sweden, Finland and Germany. These countries are also major partners in Estonia today, and we have also received from them after the restoration of most knowledge.

Estonia has had a market economy since the end of 1990s and one of the highest per capita income levels in Eastern Europe. The current government has pursued relatively sound fiscal policies, resulting in balanced budgets and low public debt. A balanced budget, almost non-existent public debt, flat-rate income tax, free trade regime, competitive commercial banking sector, innovative e-services and even mobile-based services are all hallmarks of Estonia's market economy. The country is ranked 16th in the 2012 Index of Economic Freedom, with the freest economy in Eastern Europe and the former Soviet Union [1].

Before the economic crisis, the economic growths of Estonia, Latvia and Lithuania were one of the highest in the European Union. Hence these countries were called Baltic Tigers. The crisis, however, took the three countries to a completely different edge – the fall of their GDPs was one of the

biggest in the EU. After the crisis, the economic growth factors of Estonia have again been the biggest in the union. In 2011, the real GDP growth in Estonia was 7.6% [2].

However, the employment rate and wages in Estonia are one of the lowest in the EU. A thorough analysis of the development of a small economy such as Estonia will also help make more general conclusions, at least on the European level.

After the economic crisis the GDP usually goes on an upward incline, while the unemployment is hard to curb. Why? To surmount the crisis, companies try to reduce the labour costs to a minimum. They endeavour to get rid of poor quality, redundant and also conflict-prone workers, in the first place. Concurrently a new problem rises – qualified labour is scarce. This problem does not only pester Estonia, it is endemic. One of the root causes are locally prevalent low salaries as compared to the remunerations paid in West-European countries.

After the crisis the economy does not develop along the extensive track, but mainly by the intensive ways, i.e. on account of growth in productivity. Expanding of the production occurs mainly with the help of adopting more efficient machines and equipment and better work organisation, reducing the number of low-qualification workers and increasing the demand for high-qualification ones. Besides workers, that also affects the people with higher education and other specialists. Regardless of the relatively large unemployment an opposite situation has obtained in the labour market – in many branches of economy, the qualified labour is scarce. Due to free movement of labour in the EU countries a situation has obtained in the East-European member states, incl. also in Estonia: younger and experienced workers leave the country to work abroad, where salaries are higher. It is a foregone conclusion.

Looking into the future, all this boils down to the need to increase the efficiency of production and productivity, and also to provide a competitive salary level. For elaboration of means necessary to enhance the efficiency of operating of the labour market, the complex analysis of labour market is needed.

Why not get paid such a high salary in the East-European countries than in Sweden, Finland or Germany? The article focuses on the analysis the productivity and salaries and their relation in East-Europe, in the first place in Estonia. It is usually alleged that salaries cannot be increased due to low productivity. Since Estonian productivity in ratios is over twice higher than the salaries, the question “Why?” suggests itself. While the emphasis will be on Estonia, for theoretical generalisations the EU as an entirety has been partially involved in this article.

After the opening of the EU labour markets, some EU countries started facing the problem of partial work force drain to richer countries with higher wages. From Estonia, the main migration is to Finland. At the same time, East-European countries face quite a high unemployment rate on the one hand, and many vacant jobs on the other hand – there is a lack of qualified work force.

By reference to the above, the goal of this article is to analyse the major components affecting the labour market, the productivity and salaries and their relation in East-Europe, in the first place in Estonia. It is usually alleged that salaries cannot be increased due to low productivity. Since Estonian productivity in ratios is over twice higher than the salaries, the question “Why?” suggests itself. While the emphasis will be on Estonia, for theoretical generalisations the EU as an entirety has been partially involved in this article.

Hence the *objective* of this article is to analyse the labour market of new member states of the EU coming from East-Europe, with emphasis made on Estonia, more specifically the productivity, labour costs and salaries, problems associated with labour market, and to compare it with the EU levels.

What are the opportunities to increase the labour market’s efficiency and salaries?

Theoretical bases lay, as a rule on relevant positions of renown economists published in academic issues and concerning mainly East-Europe, analyses and reference data of international organisations (ILO, IMF, OECD, Eurostat etc.) and also on positions of present authors released in their earlier publications [3, 4].

2. Analysis

Productivity is an important economic indicator, directly impacting on development of the whole economy and companies, as well as workers’ salaries – *ditto* standard of living. Estonian salaries fall significantly short of the salary level of Nordic and West-European countries. Referred to as the grounds for that is our relatively low productivity, which does

not enable increasing remunerations in Estonia to the level of Finland and other countries with advanced economy.

Below we shall analyse, by reference to Eurostat source materials, how the factors affecting productivity have changed over an extensive period. We shall compare productivity and salaries both in Estonia and Europe. For instance, if the company would like to multiply the salaries, the production should yield the needed amount of extra money. Moreover, the company should retain, besides labour expense some money for overheads, profit etc. The income obtained should exceed the expense incurred. As a rule, labour costs constitutes the largest share in the company expense.

Analysis of labour costs and average gross annual salaries in the European countries make public in December 2011 [4].

	1997	2008	2009	2010	2011
EU (27)	12,489	17,975	17,728	18,456	17,928
EU (15)	15,222	20,910	20,697	21,350	20,911
Germany	23,966	24,739	24,552	25,297	26,253
Finland	15,023	23,170	23,643	24,449	25,385
Sweden	16,072	24,271	22,418	25,369	27,320

Table 1. Net per year salaries, EUR, 1997–2011, Source: [5]

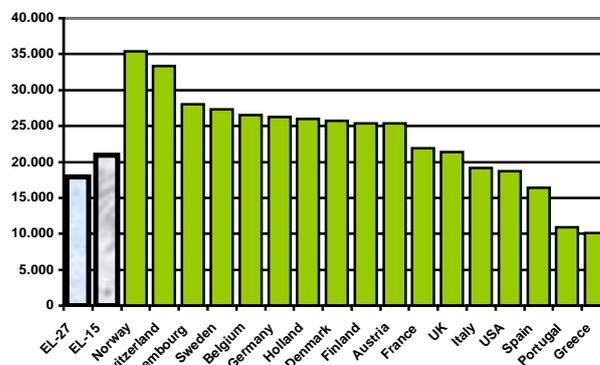


Figure 1. Net per year salaries, EUR, 2011
Source: author’s illustration

In new EU member states the average net annual salary in 2007 was 5266 EUR, significantly smaller than Estonian salary (in 2011 was 6664). Also contrastively presented herein is the EU candidate state Turkey’s salary, which was on an average level among the others. As regards the Estonia’s remunerations, presented in greater detail at the end of article will be separately the data on recent years. In the period under perusal the salaries of the new EU member states (CZ, EE, CY, LV, LT, HU, MT, PL, SI, SK) have grown 2.16 times, in the majority at least 3 and in Estonia 4.34 and Lithuania 3.95 times.

	1997	2008	2009	2010	2011
New States	2,438	:	:	:	:
Estonia	1,522	6,695	6,353	6,438	6,664
Latvia	1,364	5,031	5,137	5,096	:
Lithuania	1,248	4,853	4,523	4,439	:
Czech Rep.	2,640	7,378	7,144	7,614	7,915
Hungary	:	6,293	5,776	5,858	6,035
Poland	2,588	5,509	4,625	5,189	5,370
Slovenia	4,571	9,154	9,334	9,819	9,908
Slovakia	1,649	5,363	5,706	5,884	6,094

Table 2. Net per year salaries in new states, EUR, 1997 – 2011, Source: [5].

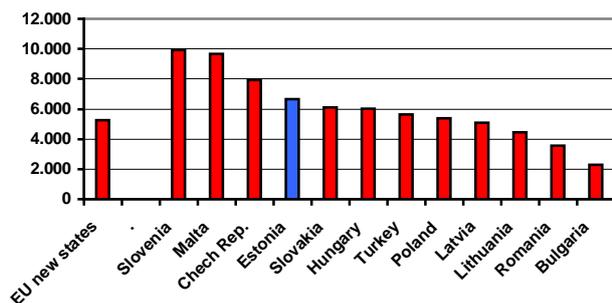


Figure 2. Net per year salaries in new states, EUR, 2011
Source: author's illustration

In the years of 1999 – 2011, as a general rule the minimum salaries grew, however due to the economic crisis part of the countries had frozen their salaries for two to three years, incl. in Estonia to the level of 2008. The British decreased minimum salaries in 2011 as against 2008 and the Americans increased it substantially. In Estonia, it has nevertheless increased as from 1999 by 3.6 times; in Latvia 3.8 times and Lithuania 2.5 times. It increased still more in Romania (5.9 times) and Bulgaria (4.2 times). It thence transpires that in evidence is the trend to level out the salaries, although at variable rates, significantly influenced by the position of their economies during the crisis and success of the policy in superseding the crisis.

Discrepancies in minimum salaries still are overwhelmingly large. Hence in Bulgaria it was 13.0 times lesser than in Luxembourg, 5.5 times lesser than in better economy post-socialist Slovenia and 2.1 times lesser than in Estonia. Whereas in Estonia the minimum salary is 6.2 times lesser than in Luxembourg and 2.6 times lesser than in Slovenia. Whereas the Luxembourg's minimum salaries are several times higher than in new EU member states. Reckoning with divergent price levels of the countries, Estonia's minimum salary should be 362 euro, subject to purchasing power standard (PPP).

Labour productivity measures the value added per unit of labour input into the production process. It is provided per person employed and per hour worked.

Measuring labour input in 'persons employed' does not distinguish between full-time and part-time employment. Labour input expressed in 'hours worked' is supposed to give a better picture of the development of labour productivity, but is more demanding on the source statistics. Productivity data are calculated as follows:

- Labour productivity per person employed: GDP in volume / no. of persons employed.
- Labour productivity per hour worked: GDP in volume / no. of hours worked [6].

Per person employed (EU-27=100)

	1995	1998	2004	2006	2008	2009	2010
Germany	115.6	112.0	107.5	108.7	107.9	105.0	105.3
Estonia	34.1	41.6	57.7	62.4	66.0	65.8	69.2
Latvia	33.3	36.9	45.9	48.8	51.6	52.8	54.6
Lithuania	36.2	41.1	53.8	56.8	62.1	57.5	62.3
Finland	111.3	114.2	113.5	110.6	113.3	110.2	111.5
Sweden	111.2	113.2	115.5	113.1	114.2	111.9	114.5
Hungary	55.0	57.6	67.0	67.8	70.9	72.1	71.2
Poland	46.0	50.8	61.9	61.1	62.3	65.6	66.8
Romania	:	:	34.6	39.7	49.1	49.2	48.9
Slovenia	66.8	75.5	81.5	83.4	83.8	80.9	80.4
Slovakia	50.3	56.6	65.7	71.7	79.7	79.7	81.4

Per hour worked (EU-27=100)

	1995	1998	2004	2006	2008	2009	2010
EU-27	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Germany	131.1	128.7	125.6	127.6	126.6	124.7	123.9
Estonia	:	:	48.5	52.1	56.0	59.0	61.0
Latvia	:	:	36.5	38.4	42.9	44.5	46.7
Lithuania	36.2	39.7	49.9	51.1	54.4	50.8	54.8
Finland	108.7	111.8	110.5	108.1	112.0	108.3	109.6
Sweden	117.6	117.8	120.6	118.1	117.9	114.2	115.4
Hungary	47.5	49.0	56.4	57.0	59.5	60.2	60.1
Poland	38.3	42.1	49.8	49.1	50.2	52.5	53.9
Romania	:	:	31.5	35.5	43.7	42.9	43.0
Slovenia	:	:	78.7	83.5	83.7	79.6	79.4
Slovakia	46.4	53.9	63.3	67.5	74.2	73.6	74.6

Table 3. Productivity, basing on PPS, per one worker and hour, 1995 – 2010, Source: [8]

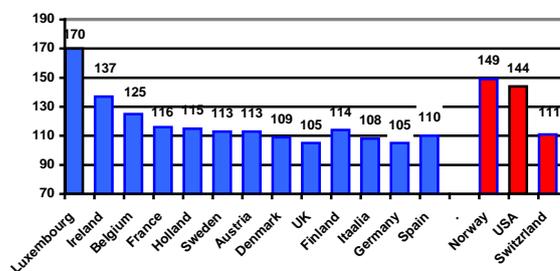


Figure 3. Higher productivity states > EL=100
Source: authors illustration

Of higher productivity in EU and also globally is Luxembourg and Norway, external to EU.

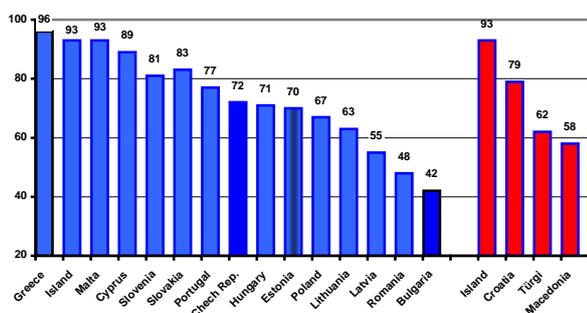


Figure 4. Lower productivity states < EL=100
Source: authors illustration

Of lower productivity are post-socialist countries, however somewhat higher is the level of Malta and Cyprus. Of somewhat higher productivity than Estonia is the EU-15 state Portugal. Of still higher productivity are EU post-socialist states Slovenia, Slovakia, Hungary and Czech Republic. Of EU candidate states, Croatia excels Estonia and Turkey maintains the same level.

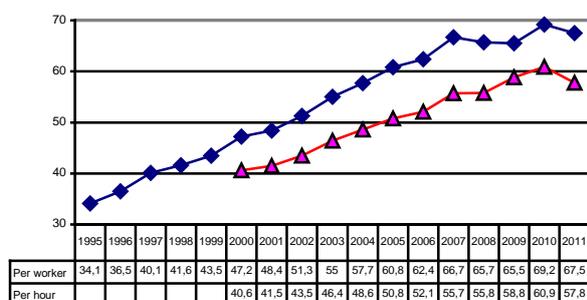


Figure 5. Estonian productivity grew (EL=100), 1995-2011
Source: authors illustration

In Estonia the yield per worker i.e. in the period under scrutiny 2.0 times, however it got suspended during the economic crisis.

Contrastively, in 2010 in Latvia the yield per one worker was 54.6% and in Lithuania 62.3%, as the EU-27 average. The highest among EU member states it was in Luxembourg (169.9), Ireland (136.9) and France (115.8) and the lowest in Bulgaria (41.3%) and Romania (48.8). In Norway (150.7) and USA (143.5) the productivity was 1.5 times higher than the EU average.

The one working hour's productivity displays a similar trend, the highest in Luxembourg 187.1. Estonia's productivity amounts only to 61.0%.

However the prevailing trend is that regardless of growth in productivity elsewhere, it rises in Estonia and also other EU new accessions noticeably quicker than in veteran and wealthy EU-15 countries.

When analysing the EU-27 productivity (added value produced by one worker) as per branches of economy and size of companies, one cannot draw an equipollent (equal in force or effect) conclusion as regards the productivity and number of workers engaged in the company. It is conditional of the branch of economy. For that matter, productivity in energy and water management companies is the highest in small firms, with up to 9 persons on payroll. Whereas the largest productivity is evidenced in big firms, keeping in employ 250 workers or more, the companies operating in the lease of movable property, accommodation (housing) companies and in total all branches of economy as an entity. Textile and habiliment (articles of clothing) firms have the largest productivity, with number of workers from 10 - 49; so do the timber companies with number of workers from 50 – 249 [9].

Below we will analyse in greater detail, from among productivity indicators of Estonian companies, the labour expense in current prices, or which the predominant share is constituted by salaries.

We will look at Estonian productivity indicators both by reference to sales revenue and added value as per employed and the same by reference to hourly productivity, mainly on new methods (Classification of Economic Activities (EMTAK) 2008), applied in 2008.

In Estonia, productivity differs little as per company size up to 249 workers. In 2003 and 2007 the largest productivity was boasted by firms with workers from 50 – 99; in 2005 with workers up to 9 people and for the rest under survey from 100 – 249 workers. Invariably, big companies of lesser productivity had 250 workers and more. That can be accounted for by larger flexibility in management of lesser companies, lesser number of ancillary personnel and also because workers of small companies are more of “jacks of all trades” than in big companies. In big firms productivity is sapped, as a general rule by large overheads.

Estonian labour productivity growth in 2010 was 4.6%, 2011 = -1.7% [10].

Labour productivity per person employed on the basis of net sales, thousand euro's.

	2001	2004	2006	2008	2009	2010	2011	2012
I Q	10.8	13.6	17.6	21.2	18.5	20.8	25.2	27.0
II Q	12.2	15.2	20.2	23.4	20.4	24.0	27.6	29.2
III Q	12.3	15.4	21.0	24.0	20.8	25.2	28.1	
IV Q	13.4	16.6	22.0	22.0	21.7	26,8	29.3	

Labour productivity per person employed on the basis of value added thousand euros.

	2002	2004	2006	2008	2009	2010	2011	2012
I Q	2.1	2.5	3.4	4.2	3.2	3.5	4.3	4.7
II Q	2.5	2.8	3.9	4.6	3.7	4.1	5.0	5.3
III Q	2.5	2.8	4.2	4.6	3.5	4.4	5.0	
IV Q	2.6	2.9	4.5	4.0	3.8	4.7	5.1	

Table 4. Productivity indicators of Estonian companies in current prices, 2001-2012.

Source: [11] Code: FS0411. Statistics Estonia

Productivity as per employed by reference to sales revenue was over 20 thousand euro as from the second half of 2006. In 2009 QI a dramatic decline occurred, again followed by a slowly ascending growth, whereas 2010 QIII and QIV were record-breakers. Admittedly Estonia has made its exit from the economic crisis mainly along the intensive track, i.e. on account of growth in productivity.

Productivity as per employed by reference to net value added has changed due to other regularities. As late as in 2010 QIV, Estonia attained the level of three successful quarters of the pre-crisis 2007. Whereas in 2010 QIV the level was already 1.5 times higher than productivity in the deepest slump of crisis in 2009 QI.

After the crisis, productivity recovered quicker by reference to sales revenue than by reference to value added, which implies the runaway selling prices after the crisis.

Whereas the above analysis per quarters support evidence to the surmise that in the period of economic crisis the changes are extremely rapid and consequently the analysis with one year precision will not yield a correct picture of changes underway.

By reference to	2005	2006	2007	2008	2009	2010
...sales revenue	72.1	81.2	92.2	93.6	81.2	95,6
... value added	14.7	17.4	19.3	18.7	17.4	16,7

Table 5. Estonia companies' productivity per employed, thousand euro, 2005 – 2010

Source: [12]

Sales revenue as per employed, of the first quarter of 2010 was 44.3 thousand euro. It is more than in the previous year; nevertheless it falls short of 2007 and 2008 average.

Business sector's productivity by reference to the net value added increased in 2010 by 18%, whereas

the companies' average labour expense per employed kept on the level of 2009.

	2009				2011			
	IQ	IIQ	IIIQ	IVQ	IQ	IIQ	IIIQ	IVQ
Gross...	837	887	787	832	854	923	841	907
Net ...	680	719	639	673	685	737	674	725

Table 6. Average quarterly monthly salary, euro (EMTAK 2008), 2009-2011.

Note: Embraced have been companies of more than 49 workers and all governmental and municipal institutions and organisations. Embraced have been workers under Employment Contract, Service Contract and Public Service Act [13].

In 2010 IV quarter the share of net monthly salary constituted 80% of gross monthly salary, being among the highest in the EU member states.

Quite naturally, in the pre-crisis year the salary and consequently labour expense were larger than in 2009. As from the second quarter 2010 the level of the previous year was superseded, however there was a shortfall, as compared to the pre-crisis time.

As per areas of activities the IV quarter of 2010 continually displayed the largest gross monthly salary in finance and insurance business (1337.73) and in information and communication (1305.33). Salaries in manufacturing industry (777.10); trade (740.74) and building (853.35) were much lower. The lesser area however was „other servicing business“ – 502.41 euro. Average gross monthly salary in 2010, IV quarter was the largest in Tallinn 920.46 and Tartu 811.93 and lower in Valga 610.48 euro [14].

For analysis of the real income the impact of inflation must also be considered, whereas in 2010 the CPI was much higher than before the crisis. Real salary, reckoning the impact of change in CPI and showing salary's purchasing power, declined for nine quarters on end. In 2010, IV quarter the real salary dropped by 1.2%.

Monthly:	2002	2005	2008	2009	2010	2011	2012
I quarter							
gross wages	366	475	788	776	758	792	847
labour cost	498	640	1 059	1 055	1 030	1 074	1 148
II quarter							
gross wages	406	530	850	813	822	857	900
labour cost	549	713	1 145	1 105	1 114	1 159	1 218
III quarter							
gross wages	374	498	800	752	759	809	..
labour cost	506	670	1 078	1 024	1 027	1 096	..
IV quarter							
gross wages	416	555	838	783	814	865	..
labour cost	565	750	1 137	1 069	1 105	1 175	..

Table 7. Average gross monthly wages and labour cost per employee, euro, 2002-2012, [15].

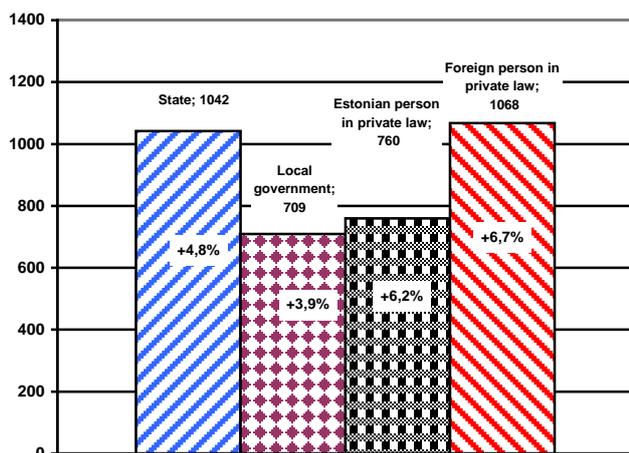


Figure 6. Estonian gross monthly salary per owner, QIV 2011, euro

Source: authors illustration

Embraced have been workers under Employment Contract, Service Contract and Public Service Act. While on the one hand it is emphasised that the salaries of government and self- governments were frozen, because before crisis they enjoyed a non-motivated large growth, the growth analysis of salaries of 2010, IV quarter contradicts to it. Lesser growth of salaries was evidenced in private sector [16].

Productivity reverted to decline in the second half of 2007 and attained the trough of the slump in 2008, IV quarter. Whereas salary increased and its record sizes were evidenced in 2008 II and IV quarter, where productivity had plummeted.

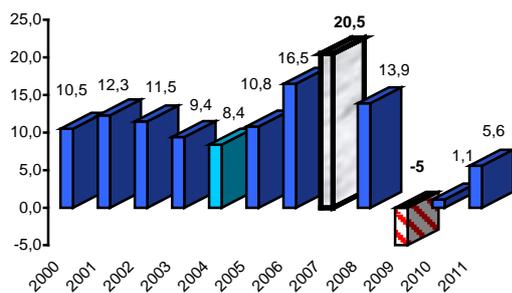


Figure 7. Estonian gross salary, %, 2000-2011

Source: authors illustration

In Estonia, in the 4th quarter of 2011, the average monthly gross wages and salaries were 865 euro and the average hourly gross wages and salaries were 5.19 euro. Compared to the 4th quarter of 2010, the average monthly gross wages and salaries grew 6.3% and the average hourly gross wages and salaries by 7.4%. [17].

	1994	1995	1996	1998	2000	2002
EU (27)	:	:	-0.6	-0.7	0.2	-0.4
EU (15)	:	:	-0.8	-0.6	0.3	-0.3
Estonia	10.1	-5.3	-4.4	-0.7	-1.9	-0.9
Latvia	5.8	-15.7	4.4	-3.1	-6.6	-4.1
Lithuania	8.3	-6.9	7.3	3.1	-8.5	1.6

	2004	2006	2007	2008	2009	2010
EU (27)	-1.5	-1.1	-0.8	0.8	2.8	-1.4
EU (15)	-1.0	-0.8	-0.6	0.8	2.9	-1.2
Estonia	1.0	0.4	6.2	8.4	1.2	-9.2
Latvia	-0.4	4.9	5.8	6.6	-5.6	-8.5
Lithuania	0.8	3.4	-1.8	0.5	0.9	-9.5

Table 8. Real salary unit growth as per productivity, %, 1994 – 2010, Note: 2012 are forecasts.

Source: [18].

At the inception of the decade under survey, starting from 2001 the largest growth in gross monthly salary was witnessed in state companies and smaller in foreign entities under private law. In 2009 all forms of ownership experienced a drop in salaries, mostly in Estonian entities under private law.

As a general rule, Estonian salaries have exhibited slower growth than productivity. That holds true also for other countries presented herein. Whereas sporadically impressive leaps occur in both directions.

In 2007 and 2008 there took place a large growth of salary unit as per productivity in the Baltic states. 2010 evidenced the contrary development.

In 2011 Estonian salaries grow quicker than productivity, however in 2012 under prognosis productivity will grow more impetuously than salaries.

Measured in a large number of indicators of labour quality. Be it the qualification category of workers or engineers of education and work experience, and of course all sorts of training courses and a lot of other [19].

The motivation is the desire to do the work and do well. Low wages and workers' incentive to work is relatively small. This is characterized by the fact that at the time of high unemployment, high number of vacant sites and even some of the unemployment rate began to rise. Unemployment at a record high (2010Q1) was vacant jobs and careers in all regions of Estonia. [20]. This was also confirmed by a number of departmental social studies [21, 22].

3. Conclusions

To sum up, during the economic crisis all Estonian economic indicators worsened. 2010. witnessed a major advance, and subsequently the pre-crisis GDP was passed.

In 2011, the monthly labour productivity in Sweden and in Finland was 1.61 times higher when compared to Estonia; the respective rates for hourly labour productivity were 1.89 and 1.80. The difference, however, is continually decreasing.

In 2011, the net annual salary in Sweden was 27 320, in Finland 25 385 and in Estonia 6 664 Euros – the respective relations being 4.10 and 3.81.

Based on the data from Sweden, the annual net salary in Estonia according to labour productivity should be 16 864 or 14 455 euro, that is over two times higher than it is now. Based on Finnish data, the respective figures are 15 965 or 14 193 euro. We are currently comparing net salaries due to the differences in Swedish, Finnish and Estonian tax systems.

However, it is not enough to compare merely gross and net salaries: for a deeper analysis, price levels, social expenditures, family budget and other social figures must also be observed. As it is known, the highest price levels are in Switzerland, Norway and from EU countries, Denmark.

In Estonia, certain prices of more expensive goods and services may even reach the price levels of Germany, but in overall, the price levels in Estonia are still lower than in richer Western European countries.

When comparing the salaries in public and private sector in Estonia, it must be considered that in public sector, the number of people with higher education is much bigger than in private sector. Therefore it is not feasible to compare, for example, the salaries in education (public sector) with salaries in services (private sector), as the qualifications of workers are too different. Unfortunately, the salaries of workers with higher education do not differ that greatly from the salaries of workers with basic education.

Estonian productivity is 69%, but salaries are below 30% EU average. Consequently at such level of average productivity it is, as a general rule possible to raise salaries primarily on the expense of owner profit. This would also lessen the drain of qualified workforce. Keeping qualified workers in Estonia is in the long run also beneficial to the employer. A reasonable raise in the salaries would be a beneficial future investment for the companies. As for the rise of profit, it would be insured by keeping qualified workforce and by lessening or saving from training expenses on new employees, etc. But we mustn't also forget the golden rule of economic theory: the main goal of a business enterprise is

earning profit to its owners. Hence, the conflict of interests arises. Therefore we may also look at different enterprises from a viewpoint of whether their activity is focused on today only or does it also consider the future.

Productivity in ratios of other post-socialist countries, new EU states is also substantially higher than salaries.

Significant discrepancy of productivity and salaries causes movement of labour of East-European states to the states of higher salaries. Whereas it must be taken into account that East-European countries produce, as a general rule goods of lower value than in Western Europe.

Nevertheless the labour market will put in place, in due course of time the correct relation of productivity and salaries, but by that time new EU member states will have lost part of their precious labour.

The possibility of raising salaries should be analysed separately according to economic branches, jobs and professions. The countries of Eastern Europe, including Estonia, could try to model after the experiences of developed industrial countries.

The salaries could be raised in there areas where the result (turnover and profit) is more connected to the quality of workforce, in order to find better and more competitive employees. It should also be certainly connected to the productivity and quality of work through salaries and bonus systems.

Today, business requires a highly skilled and motivated as well as quickly adapt to people. Often the young person does not meet the qualifications of the labour market, and the company no longer.

These generalisations could also be made to other new European Union countries.

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